

practicable, coordinate its environmental review and combine its meetings and hearings with those of other Federal, state and local agencies. The Borrower shall inform RUS of potential involvement of other agencies in the proposal at the earliest practicable time to facilitate such coordination.

### Subpart C—Provisions Applicable to EA or EIS Preparation

#### § 1794.20 Interagency coordination.

(a) Whenever practicable, RUS will encourage the use of a lead agency in preparation of an EIS or EA so that a single document and review process will cover all Federal agency actions arising from the proposal or directly related group of proposals. It is the policy of RUS to volunteer to act as lead agency in the preparation of an EA or EIS when the Borrower so requests, and when RUS would normally prepare an EA or EIS for the proposal.

(b) Where RUS acts as a cooperating agency, RUS shall rely upon the lead agency's procedures for implementing NEPA and CEQ regulations in the preparation and issuance of an EA or EIS, unless the lead and cooperating agencies agree to a modification of these procedures.

(1) RUS shall request that the lead agency indicate that RUS is a cooperating agency in all NEPA related notices published for the proposal. In addition, RUS shall request that the lead agency permit RUS to review and comment on the EA or draft and final EIS prior to issuance.

(2) The Borrower shall inform RUS in a timely manner of its involvement in a proposal where another Federal agency is preparing an EIS or EA to permit RUS to adequately fulfill its duties as a cooperating agency.

(c) Where practicable and in order to eliminate duplication and delay, RUS will coordinate its NEPA process with state and local environmental procedures. Where state or local agencies control siting of electric transmission lines or electric generating stations, RUS shall consult and coordinate with those state and local agencies in determining what are the reasonable siting and route alternatives.

#### § 1794.21 Limitations on actions during the NEPA process.

In determining which Borrower activities related to a proposal requiring development of an EA or EIS may be approved prior to completion of the NEPA process, RUS must determine, among other matters that:

(a) The activity will not have an adverse environmental impact. For example, purchase of water rights, optioning or transfer of land title, or continued use of land as historically employed will not have an adverse environmental impact. However, site preparation or construction at or near the proposed site (*e.g.*, rail spur) or development of a related facility (*e.g.*, opening a captive mine) normally will have an adverse environmental impact.

(b) The expenditure is "minimal." To be minimal the expenditure:

(1) Must not exceed the amount of loss which the borrower could absorb without jeopardizing the government's security interest in the event the proposed project is not approved by the Administrator, and

(2) Must not compromise the objectivity of RUS's environmental review. Notwithstanding other considerations, expenditures up to 10 percent of the proposed project cost normally will not compromise RUS's objectivity.

#### § 1794.22 Tiering.

It is RUS's policy to tier EIS's and EA's where:

(a) It is practicable, and  
(b) There will be a reduction of delay and paperwork, or where better decisionmaking will be fostered.

[49 FR 9550, Mar. 13, 1984; 49 FR 10083, Mar. 19, 1984]

### Subpart D—Classification of Proposals

#### § 1794.30 Control.

For environmental review purposes, RUS has identified and set forth categories of Borrower proposals. A Borrower or Borrowers may propose to participate with other parties in the ownership of a project where the Borrowers do not have sufficient control and responsibility to alter the development of the project. In such a case the